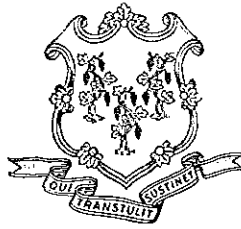


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February 24, 2015

Good afternoon Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee. I am here to testify in support of **SB 9** AN ACT CONCERNING THE RATE APPROVAL PROCESS FOR CERTAIN HEALTH INSURANCE POLICIES, **SB 413** AN ACT REQUIRING A PUBLIC HEARING FOR CERTAIN HEALTH INSURANCE RATE INCREASE REQUESTS, **SB 11** AN ACT REQUIRING THE CONNECTICUT HEALTH INSURANCE EXCHANGE TO NEGOTIATE PREMIUMS, **SB 415** AN ACT CONCERNING DISPENSATION AND COVERAGE OF A PRESCRIBED DRUG FOR A CHRONIC DISEASE DURING CERTAIN ADVERSE DETERMINATION REVIEWS, and **SB 412** AN ACT CONCERNING PRIOR REVIEW OF INSURANCE DEPARTMENT GUIDELINES AND BULLETINS.

Legislation similar to SB 9 (and SB 413) was passed by the Connecticut General Assembly in its 2011 session but was vetoed by the governor due to a willingness by the Department of insurance to establish a written agreement to implement key provisions of that bill. Under the agreement, the Insurance Department agreed to hold public hearings when an insurance company requests an increase above 15% AND the Healthcare Advocate requests such hearing. At the time of this agreement it was noted that if this process did not seem adequate the

issue could be revisited. Unfortunately, despite this agreement, it appears that there has been some resistance toward the participation of the Healthcare Advocate (as evidenced by the Department of Insurance comments on page 2 of its order on Docket LH14-155 in which the department notes that OHA's intervenor status had no statutory or regulatory basis). Passage of this legislation would create such status.

This legislation would establish procedures for a hearing for rate or amount filings made for certain health insurance policies, and would authorize the Healthcare Advocate and the Attorney General to be a party to any such hearing. SB 9 would set the threshold for a public hearing/symposium at 10% while SB 413 would set it at 12%. I am supportive of either option which this committee might recommend. I would encourage you to require a public hearing rather than a symposium as the requirements for and significance of a public hearing are far better established. Health insurance costs have risen at a higher rate than inflation for some years and it is important that the corporations that offer this insurance be required to justify their rate increases. We need to know that they are doing more than increasing corporate profits at the expense of our citizens.

SB 11 would allow the Health Insurance Exchange to negotiate prices with the insurance carriers that sell products on Access Health CT. I believe that this legislation could lead to lower prices for consumers in our state. Under this bill, the Department of Insurance would retain its current authority to approve or reject the insurers' rates. This approval or rejection is currently done by assessing whether or not the rates are actuarially sound; the department does not then negotiate rates with the insurers. Allowing the Exchange to negotiate prices while requiring the

Insurance Department to reject rates that are not actuarially sound would protect both consumers and insurers. This legislation would create sound public policy in the public interest.

SB 415 represents an agreement reached last year with the insurance carriers, but unfortunately the bill was not acted upon in the final hours of the 2014 session. The bill would provide protection to patients with chronic disease during the course of the insurers' internal grievance process. It would require that the insurer cover the prescribed drug during the course of the internal appeal. This legislation would assist patients in receiving appropriate care that has been authorized by a patient's treating physician. It would also encourage the insurer to resolve the appeal with all deliberate speed.

SB 412 would require that the Connecticut Department of Insurance submit to the General Assembly all of the guidelines and bulletins that it intends to issue. This bill would require that this submission occur at least sixty days before issuance. This requirement would ensure that these guidelines and bulletins do in fact implement the will of the legislature.

Thank you for hearing these important legislative initiatives.